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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

At Richmond, SEPTEMBER 2, 1998

APPLICATION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUE980462

For Approval of Expenditures for New Generation Facilities pursuant to Va. Code § 56-234.3 and for a certificate of public convenience and necessity pursuant to Va. Code § 56-265.2

ORDER PERMITTING RESPONSE TO MOTION

On August 11, 1998, Virginia Electric and Power Company ("Virginia Power" or "Company") filed an application requesting regulatory approval for the construction of five gas-fired turbine generator units of approximately 150 MW capacity each and transmission facilities necessary to connect the generators to the transmission grid.

On September 1, 1998, Commission Staff filed a motion ("September 1 Motion") requesting a ruling that the Company be directed to issue a request for proposal in conformance with the Commission's Rules for Governing the Use of Bidding Programs to Purchase Electricity from Other Power Suppliers (the "Rules"). Staff requests that, alternatively, the Company be directed to request an exemption from application of the Rules. In support of its motion, Staff cites certain of the Rules, including the provision that the Rules are applicable to any investor-owned electric utilities or cooperatives operating within the Commonwealth that choose to establish a bidding program. Staff states that in the late 1980's, Virginia Power established a

bidding program which has since then been part of the Company's long-term resource plan. Staff also states that the Commission must have intended the continued applicability of the Rules; otherwise, the exemption provision in the Rules would be surplusage.

NOW THE COMMISSION, upon consideration of the foregoing, is of the opinion and finds that Virginia Power should be provided an opportunity to response to the September 1 Motion, and that Staff and any interested parties should have an opportunity to reply to the Company's response, if any. Therefore, we will permit the Company to file a response to the September 1 Motion on or before September 16, 1998, and Staff and any interested parties to file a reply to the Company's response on or before September 30, 1998. Accordingly,

IT IS ORDERED THAT:

- (1) Virginia Power may file a response to the September 1 Motion on or before September 16, 1998.
- (2) Staff and interested parties may file a reply to the Company's response, if any, on or before September 30, 1998.
 - (3) This case shall be continued generally.